



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu

ENERGY

IN THE MATTER OF THE PETITION OF PUBLIC)	DECISION AND ORDER
SERVICE ELECTRIC AND GAS COMPANY FOR)	APPROVING A ONE TIME
APPROVAL OF A SOLAR ENERGY PROGRAM)	WAIVER OF PROGRAM
AND ASSOCIATED COST RECOVERY MECHANISM)	RULES
)	
)	DOCKET NO. EO07040278

(SERVICE LIST AND STIPULATION ATTACHED)

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board" or "BPU") considers the stipulation ("Stipulation") filed on May 21, 2009 and executed by and between Public Service Electric and Gas Company ("PSE&G" or "Company"), the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), Board Staff ("Staff"), and New Jersey Natural Gas Company ("NJNG") (jointly the "Parties"). Under the Stipulation the Parties agreed to waive for the purpose of these specific proceedings two requirements of the March 24, 2008 Settlement ("PSE&G Solar Loan Program Settlement" or "Settlement") approved by the Board on April 16, 2008; *I/M/O the Petition of Public Service Electric and Gas Company for Approval of a Solar Energy Program and Associated Cost Recovery Mechanism*. BPU Docket No. EO07040278.

While Mid-Atlantic Solar Energy Industries Association ("MSEIA") was one of the parties to PSE&G Solar Loan Program Settlement, it opposes this Stipulation.

BACKGROUND AND PROCEDURAL HISTORY

On April 19, 2007, PSE&G filed with the Board a petition requesting Board approval to implement a 30 megawatt ("MW") solar photovoltaic ("PV") development program (the "Program") within its electric service territory across all customer classes, with segments for residential, low-income residential, municipal/public entities, and commercial/industrial and not-for-profit customers.

After extensive discovery and settlement meetings, the PSE&G Solar Loan Program Settlement was executed by the Company, Staff, Rate Counsel, MSEIA, NJNG, and South Jersey Gas

Company ("SJG").¹ On April 16, 2008, the Board issued an Order adopting the Settlement and approving the Program as a pilot for a period of 2 years. PSE&G has implemented the Program pursuant to that Order and, according to the Company, has received a robust response, especially in the commercial and industrial sector. Subsequently, on November 7, 2008, the Board issued an Order approving an auction process associated with disposition of Solar Renewable Energy Credits ("SRECs") associated with the Program.

On January 15, 2009 PSEG filed a letter requesting modifications of the Program to allow one potential applicant ("Applicant") to obtain a loan through the Program to finance a 6 MW solar project. The three modifications concerned: (i) the requirements that projects be net metered; (ii) a shift of capacity to the commercial and industrial ("C&I") segment of 6MW prior to the expiration of the hard caps on April 17, 2009; and (iii) a relaxation of the 25% developer/customer cap within the C&I segment.

STIPULATION AND CERTIFICATIONS

On May 21, 2009 PSE&G filed the Stipulation with the Board supported by the certification of Alfredo Z. Matos. The Stipulation requests two waivers of Program requirements: (i) the 25% cap per single developer/customer of the total program capacity (7.5 MW of the 30 MW program); and (ii) the requirement that a solar project be net metered to be eligible for the Program. The Stipulation clarifies that the waiver requested in the January 15 letter pertaining to the 25% developer/customer cap within the C&I segment is no longer needed because PSE&G has implemented soft caps as of April 17, 2009 pursuant to paragraph 7 of the Settlement². According to its terms, the waivers agreed to in the Stipulation are one-time waivers not applicable in any other proceeding.

As stated above, the Stipulation also includes the May 5, 2009 certification of Alfred Z. Matos, PSE&G Vice President of Renewables and Energy Solutions supporting the requested waivers. With respect to the waiver of the requirement that projects in the Program must be net metered, the certification states that the Applicant seeks to install up to 4 MW³ of solar PV system(s) at its site ("Project"). A 4 MW project would exceed the 2 MW limit for net metering under N.J.A.C. 14:8-4.3 (a). The certification further explains that the Applicant does not seek to qualify the Project for net metering by splitting the 4 MW project into two smaller systems, because such a split would require significant electrical engineering work and expense to the Applicant and would not provide additional benefits.

¹ Jersey Central Power and Light Company ("JCP&L"), Rockland Electric Company ("RECO"), and Retail Energy Supply Association ("RESA") submitted letters to the Board taking no position in support or opposition of the Settlement. The New Jersey Large Energy Users Coalition ("NJLEUC") submitted its comments to the Board, and ultimately took no position, either in support of or opposition to the Stipulation.

² Settlement at paragraph 7 provides: " For the first year of the Program there will be hard caps of 9 MW (30%) for the Municipal/Not-for Profit segment, 9 MW (30%) for the Residential segment and the Multi-Family/Affordable Housing segment combined, and 12MW (40%) for the C&I segment. Based on market conditions and the status of projects accepted into each segment during the initial year, PSE&G reserves the right to convert these percentages into "soft" caps starting in the second year of the Program.

³ After technical discussions with the Applicant the project size was reduced from the 6MW of the January 15 letter to the 4 MW of the Stipulation and certifications.

According to the certification, the Applicant intends to use a competitive procurement process to select a developer for the Project, and would prefer to open the procurement process to all interested solar developers. With respect to the limit restricting any single developer/customer from accounting for more than 25% of the total program capacity, the Company asserts that including the Project in the calculation of this limit could prohibit developers that have other projects in the Program from bidding, possibly resulting in a higher system cost under the Program.

According to its e-mail of May 19, 2009, MSEIA opposes the Stipulation on the grounds that it is not necessary to waive Program requirements to allow one particular project to participate when many other projects are waiting to participate in the Program. According to MSEIA, it is important to maintain the Program rules in order to prevent unhealthy market concentration, ensure a diverse market, and provide opportunity for important segments and rate classes to participate.

On May 26, 2009, PSE&G filed a supplemental certification of Alfredo Z. Matos responding to MSEIA's comments and providing additional factual support for the waivers agreed to in the Stipulation. According to the supplemental certification, as a result of the severe economic downturn that the country is facing many residential, governmental and small commercial entities are unable to afford solar at this time, and despite the enthusiastic response to the Program many applicants are facing challenges to raising the remainder of the capital necessary to install solar facilities and the Applicant has represented that without the funding provided by the Program, the Project will probably not proceed. PSE&G maintains that in the current economic climate it is appropriate for the Board to approve a one time waiver of the Program's 25% developer/customer cap. Furthermore, PSE&G asserts that there will still be opportunities for residential applicants to participate in the Program as nearly 2MW of capacity remain open for bidding in this segment. In addition, some small solar installations are eligible to participate in the new Board rebate program, and a range of solar systems will be available in the Solar Loan II program, BPU Docket No. EO09020125, if approved. With regard to the net metering waiver, the supplemental certification clarifies that this Program requirement conformed to a previous regulatory requirement for solar systems to be net metered in order to qualify for SRECs. According to PSE&G, the net metering waiver is consistent with the recent Board decision to amend the regulations and allow non-net metered solar installations to receive SRECs so long as they are interconnected to New Jersey's distribution system.

DISCUSSION AND FINDINGS

In reaching its determination herein the Board has carefully reviewed the record in this matter, including the Stipulation, the certification and the supplemental certification, and the comments of MEISA. In addition, the Board has taken notice of publicly available information regarding economic and financial conditions.

The Stipulation describes the economic and credit challenges that are limiting the success of the Program:

the solar market has been impacted by the economy since the BPU approved the program over a year ago. . . . As a result, many residential, governmental, and small commercial entities that PSE&G targeted in the original Program design are simply unable to afford solar photovoltaic at this time. Even with the enthusiastic response the Program has received, many applicants still face

challenges raising the remainder of the capital necessary to install solar facilities at this time. [Stipulation, para. 7.]

The Board takes notice of a recent analysis of economic and financial conditions by the Federal Reserve Board⁴ which provides support for the statements in the Stipulation. Particularly, the report affirms that in the Federal Reserve's New York district, commercial real estate markets have continued to deteriorate, and that widespread tightening in credit standards—particularly in the commercial mortgage category – has continued, accompanied by continued, though not dramatic, increases in delinquency rates across all segments.⁵ In the Philadelphia district, many previously announced office, educational, and institutional construction projects have been postponed, and nonresidential real estate leasing and construction activity is expected to remain weak through most of the year.⁶

The Board therefore **FINDS** that current economic and financial circumstances are making it less likely that the full 30 MW of new solar capacity to be financed through the Program will be developed in the eleven months remaining in the Program, and that a shortfall in the deployment of that capacity will hinder progress toward achieving the solar Renewable Portfolio Standard in the reporting year ending May 31, 2010 ("RY2010"). The Board further **FINDS** that the development of the Applicant's 4 MW project will itself significantly support progress toward achieving the solar Renewable Portfolio Standard in RY2010. The Board therefore **FINDS** that a waiver of the net metering requirement to enable Applicant to participate in the Program is a reasonable and appropriate part of the Board's efforts to achieve the solar Renewable Portfolio Standard in RY2010. However, the Board **CLARIFIES** that although the regulations now allow non-net metered solar installations which are interconnected to New Jersey's distribution system to receive SRECs, this does not mean that the Program's net metering requirement has been removed.

The Board further **FINDS** that although the size of the Project itself does not trigger the limits restricting any single developer/customer from accounting for more than 25% of the total Program capacity or total capacity for any segment of the Program,⁷ there is reason to believe that the inclusion of the Project in the calculation of the 25% limit per solar developer may discourage developers from seeking to participate in the Project because they could then be precluded from developing other projects under the Program. Therefore, the Board further **FINDS** that it is reasonable to waive the 25% cap for any solar developer who is approved for the Project after an open competitive procurement process.

In light of all the above, the Board **FINDS** that the Stipulation represents a fair and reasonable resolution of this matter in light of the economic downturn and the particular circumstances surrounding the Applicant's project.

⁴ Federal Reserve Board, "Summary of Commentary on Current Economic Conditions by Federal Reserve Districts," April 15, 2009, <http://www.federalreserve.gov/fomc/beigebook/2009/20090415/fullreport20090415.pdf> (accessed May 31, 2009).

⁵ Id. at 14, 17.

⁶ Id. at 21.

⁷ The Applicant's project size is 4MW but in order to trigger the 25% cap on any single developer/customer of the total program capacity, the project would need to be 7.5 MW or 25% of the total Program size 30MW.

In consideration of the record and the discussions and findings reflected above, the Board **HEREBY ADOPTS** the attached Stipulation in its entirety and **HEREBY WAIVES** for the purpose of these proceedings the net metering requirement, and the 25% cap for any single developer/customer of the Program provided that the developer is selected under an open competitive procurement process.

Regarding MSEIA's argument that there are many participants waiting to participate in the Program, the Board **FINDS** that according to the record almost 2MW of capacity remain open for bids in the residential segment and that other segments also have remaining capacity open to potential projects. However, the Board recognizes that waivers of Program requirements for multiple large projects could reinforce the concerns that MSEIA has expressed. In addition, the Board understands that PSE&G has filed a Solar Loan II petition as described in the Matos supplemental certification, and that the concerns raised by MSEIA are being considered in that proceeding.

Finally, the Board **DIRECTS** that the waivers set forth in the Stipulation are one-time waivers, not applicable in any other proceeding except to enforce the terms of the adopted Stipulation.

DATED: 6/15/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

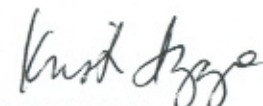

FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

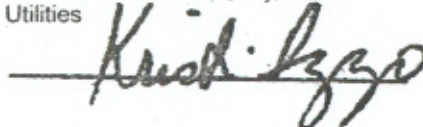

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



the current program provisions are required. Please refer to the Certification of Alfredo Z. Matos attached hereto for additional factual information concerning the waivers requested.

WHEREAS, the Company has consulted with the parties to the Settlement concerning proposed waiver to certain Program rules. As a result of these discussions and negotiations, PSE&G's assertions, and the Matos Certification, the undersigned parties ("Parties") have agreed to waive certain terms of the Settlement via this Stipulation on One-time Waiver of Program Rules ("Stipulation"), and to support the Board's prompt issuance of an Order approving this Stipulation.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. This Stipulation and the waivers set forth herein are one-time waivers applicable only to the project of the Potential Applicant described hereinabove ("Designated Project").
2. The provisions of Paragraph 6 of the Settlement pertaining to a 25% cap on any single developer/customer within a segment are no longer applicable, because PSE&G has implemented soft caps as of April 17, 2009, in accord with Paragraph 7 of the Settlement.
3. The provisions of Paragraph 6 of the Settlement pertaining to the 25% cap per single developer/customer of the total program capacity (30 MW) will not apply in regard to the Designated Project.
4. The requirement that a solar project be net metered will not apply to the Designated Project. The Designated Project must qualify for and create Solar Renewable Energy Certificates.
5. The Parties agree that this Stipulation shall be filed with the BPU for review and approval.

6. The Parties agree that this Stipulation is being entered into exclusively for the purpose of resolving the issues set forth herein.

7. The Parties agree that this Stipulation was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Stipulation, each Party is given the option, before implementation of any different terms in this matter, to accept the change or to resume negotiations on the issues set forth herein as if no Stipulation had been reached.

8. The Parties hereby agree that this Stipulation has been made exclusively for the purpose of this proceeding and that this Stipulation, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: Gregory Eisenstark

Gregory Eisenstark

Assistant General Corporate Rate Counsel

DATED: 5-18-09

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

By: _____

Alex Moreau

Deputy Attorney General

DATED: _____

6. The Parties agree that this Stipulation is being entered into exclusively for the purpose of resolving the issues set forth herein.

7. The Parties agree that this Stipulation was negotiated and agreed to in its entirety with each section being mutually dependent on approval of all other sections. Therefore, if the Board modifies any of the terms of this Stipulation, each Party is given the option, before implementation of any different terms in this matter, to accept the change or to resume negotiations on the issues set forth herein as if no Stipulation had been reached.

8. The Parties hereby agree that this Stipulation has been made exclusively for the purpose of this proceeding and that this Stipulation, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Stipulation.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

By: _____

Gregory Eisenstark

Assistant General Corporate Rate Counsel

DATED: _____

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
Board of Public Utilities

By:  _____

Alex Moreau

Deputy Attorney General

DATED: May 18, 2009 _____

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By:



Felicia Thomas-Friel, Esq.

Deputy Public Advocate

DATED:

May 19, 2009

NEW JERSEY NATURAL GAS COMPANY

By: _____

DATED: _____

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____

Felicia Thomas-Friel, Esq.

Deputy Public Advocate

DATED: _____

MID-ATLANTIC SOLAR ENERGY INDUSTRIES ASSOCIATION

By: _____

DATED: _____

SOUTH JERSEY GAS COMPANY

By: _____

DATED: _____

NEW JERSEY NATURAL GAS COMPANY

By: Stacey May

DATED: May 4, 2009

Gregory Eisenstark
Assistant General Corporate Rate Counsel

PSEG Services Corporation
80 Park Plaza - T5, Newark, New Jersey 07102-4194
973-430-6281 fax: 973-430-5983
email: gregory.eisenstark@pseg.com



May 20, 2009

In The Matter Of The Petition Of
Public Service Electric And Gas Company
For Approval Of A Solar Energy Program And An
Associated Cost Recovery Mechanism

BPU Docket No. EO07040278

REVISED

VIA ELECTRONIC MAIL & REGULAR MAIL

Kristi Izzo, Secretary
Office of the Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Dear Secretary Izzo:

Enclosed for filing is an executed Stipulation on One-Time Waiver of Program Rules and Certification of Alfredo Z. Matos in the above-referenced matter. An original and ten copies are enclosed.

Thank you for your consideration in this regard.

Respectfully submitted,
Original Signed by
Gregory Eisenstark

C Service List

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF A SOLAR) BPU Docket No. EO07040278
ENERGY PROGRAM AND AN ASSOCIATED)
COST RECOVERY MECHANISM)

CERTIFICATION

STATE OF NEW JERSEY)
 :
COUNTY OF ESSEX)

ALFREDO Z. MATOS, of full age, being duly sworn according to law,
hereby certifies:

1. I am Vice President Renewables and Energy Solutions of Public Service Electric and Gas Company ("PSE&G"), the Petitioner in the above-captioned matter.

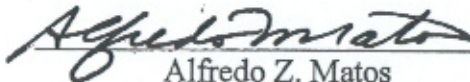
2. I am responsible for implementing PSE&G's Solar Loan Program ("Program") and am familiar with the Program's rules and requirements, as approved by the Board of Public Utilities ("BPU").

3. I make this Certification in support of a "Stipulation on One-time Waiver of Program Rules" in this matter. That Stipulation, if approved by the BPU, would allow a one-time waiver of two Program rules: (1) the 25% cap per single developer/customer of the total program capacity (30 MW); and (2) the requirement that a solar project be net metered to be eligible for the Program.

4. PSE&G has received a Program application from a customer ("Applicant"). The Applicant, which operates a large and important data center in PSE&G's electric service territory, would like to install up to 4 megawatts (MW) of solar photovoltaic system(s) at its site. The solar system(s) would be connected to PSE&G's distribution system, via a common switchgear with a single PSE&G meter. Although the project would interconnect on the customer's side of the utility meter, it may not qualify for net metering because each of the solar system(s) may exceed the Board's two MW limit for net metering. The Applicant has stated that their preference, based on financial and engineering reasons, is to construct a single solar system of up to 4 MW, on a single billing meter. Based on the Applicant's current service connection to the PSE&G system, splitting a 4 MW project into two smaller systems would require significant electrical engineering work and expense to the Applicant, but would provide no additional benefits.

5. In regard to the 25% cap per single developer/customer of the total program capacity (30 MW), the Applicant intends to use a competitive procurement process to select a developer to install the solar system(s). In this regard, the Applicant has informed me that it prefers to make the procurement process open to all interested solar developers. Because of the system size (up to 4 MW), the 25% cap (7.5 MW of the 30 MW program) could prohibit developers that have other Projects in the Program from bidding. This limit might result in fewer proposals and a higher system cost than if the 25% cap was waived.

8. The foregoing statements are true to the best of my knowledge and belief. I am aware that if any of the foregoing statements are willfully false, I may be subject to punishment.


Alfredo Z. Matos

Sworn and subscribed to)
before me this 5th day)
of May, 2009)



JACQUELINE CUNA
Notary Public of New Jersey
No. 2098348 - Hudson County
My Commission Expires May 19, 2012

Gregory Eisenstark
Assistant General Corporate Rate Counsel

PSEG Services Corporation
80 Park Plaza - T5, Newark, New Jersey 07102-4194
973-430-6281 fax: 973-430-5983
email: gregory.eisenstark@pseg.com



May 26, 2009

In The Matter Of The Petition Of
Public Service Electric And Gas Company
For Approval Of A Solar Energy Program And An
Associated Cost Recovery Mechanism

BPU Docket No. EO07040278

VIA ELECTRONIC MAIL & REGULAR MAIL

Kristi Izzo, Secretary
Office of the Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Dear Secretary Izzo:

On May 21, 2009, Public Service Electric and Gas Company ("PSE&G") filed a "Stipulation on One-time Waiver of Program Rules," along with the Certification of Alfredo Z. Matos, in the above-referenced matter. Subsequently, the Mid-Atlantic Solar Energy Industries Association ("MSEIA") submitted informal comments in opposition to the Stipulation and the waivers PSE&G seeks therein.

Therefore, PSE&G is filing a supplemental Certification of Alfredo Z. Matos, which responds to MSEIA's comments and provides additional factual support for the waivers PSE&G seeks. An original and ten copies are enclosed for filing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Gregory Eisenstark", written in a cursive style.

C Service List

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF)
PUBLIC SERVICE ELECTRIC AND GAS)
COMPANY FOR APPROVAL OF A SOLAR) BPU Docket No. EO07040278
ENERGY PROGRAM AND AN ASSOCIATED)
COST RECOVERY MECHANISM)

CERTIFICATION

STATE OF NEW JERSEY)
 :
COUNTY OF ESSEX)

ALFREDO Z. MATOS, of full age, being duly sworn according to law,
hereby certifies:

1. I am Vice President Renewables and Energy Solutions of Public Service Electric and Gas Company ("PSE&G"), the Petitioner in the above-captioned matter.

2. I am responsible for implementing PSE&G's Solar Loan Program ("Program") and am familiar with the Program's rules and requirements, as approved by the Board of Public Utilities ("BPU").

3. I previously made a Certification dated May 5, 2009 in support of a "Stipulation on One-time Waiver of Program Rules" in this matter. That Stipulation, if approved by the BPU, would allow a one-time waiver of two Program rules: (1) the 25% cap per single developer/customer of the total program capacity (30 MW); and (2) the requirement that a solar project be net metered to be eligible for the Program. PSE&G filed the Stipulation, supported by my May 5, 2009 Certification, with the BPU on May 20, 2009.

4. As I stated in that previous Certification, PSE&G has received a Program application from a customer ("Applicant"). The Applicant, which operates a large and important data center in PSE&G's electric service territory, would like to install up to 4 megawatts (MW) of solar photovoltaic system(s) at its site. The solar system(s) would be connected to PSE&G's distribution system, via a common switchgear with a single PSE&G meter. Although the project would interconnect on the customer's side of the utility meter, it may not qualify for net metering because each of the solar system(s) may exceed the Board's two MW limit for net metering. The Applicant has stated that their preference, based on financial and engineering reasons, is to construct a single solar system of up to 4 MW, on a single billing meter. Based on the Applicant's current service connection to the PSE&G system, splitting a 4 MW project into two smaller systems would require significant electrical engineering work and expense to the Applicant, but would provide no additional benefits. Under the BPU's current rules, such a 4 MW system would not be eligible for net metering.

5. I have become aware that the Mid-Atlantic Solar Energy Industry Association ("MSEIA") has distributed informal comments opposing the waivers PSE&G seeks. I therefore make this Certification in response to MSEIA's comments.

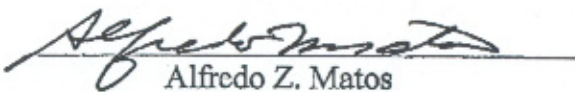
6. MSEIA contends that the waivers are unnecessary because there are other projects willing to participate in the commercial segment of the Program. MSEIA also claims that the Program rules are necessary to ensure a diverse solar market, with opportunities for different market segments to participate in the Program.

7. However, MSEIA's comments overlook several important facts. First, the solar market has been impacted by the economy since the BPU approved the Program over a year ago. The entire country, including New Jersey, has experienced a significant economic downturn, one of the most severe in the last century. As a result, many residential, governmental, and small commercial entities that PSE&G targeted in the original Program design are simply unable to afford solar photovoltaic at this time. However, the Program has a limited, two-year duration, which has less than eleven months remaining. Even with the enthusiastic response the Program has received, many applicants still face challenges raising the remainder of the capital necessary to install solar facilities at this time. The Applicant has represented to PSE&G that without this Program, it is likely that they would not be able to proceed with this project. Accordingly, it is appropriate for the Board to waive the 25% developer/customer cap and allow this larger project to proceed, particularly given the commitment that the Applicant has shown to install a significant solar system in PSE&G's service territory.

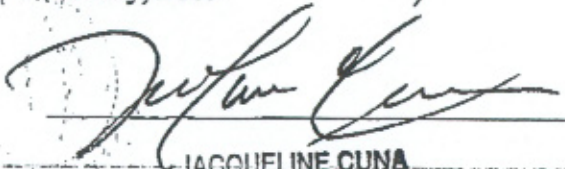
8. In addition, there is still opportunity for residential applicants to participate in the Program -- nearly two MW of capacity remain in that segment. Furthermore, in PSE&G's pending Solar Loan II petition, the Company has proposed a range of solar system sizes that would, if approved, facilitate the development of a diverse solar market. Finally, since the Board approved the Program, it has also implemented a new rebate program that certain small solar installations may qualify for. Accordingly, there is ample opportunity for diverse customer segments to participate in solar programs in New Jersey.

9. Finally, I wish to clarify the requested waiver of the Program rule that requires participating projects to be net metered. By way of further explanation, when PSE&G filed its Program petition in 2007 and when the BPU approved it in early 2008, the BPU's regulations required that solar systems be net metered to qualify for Solar Renewable Energy Certificates ("SRECs"). Because the Program relies on SRECs for loan repayments, PSE&G included net metering as a Program requirement. However, the BPU has since amended its regulations and now allows non-net metered solar installations to receive SRECs, so long as the solar energy is produced by a generating facility that is interconnected with an electric distribution system that supplies New Jersey. Accordingly, the waiver of the net metering requirement for participation in the Program is consistent with the Board's decision to allow non-net metered solar facilities to receive SRECs.

The foregoing statements are true to the best of my knowledge and belief. I am aware that if any of the foregoing statements are willfully false, I may be subject to punishment.


Alfredo Z. Matos

Sworn and subscribed to)
before me this 22nd day)
of May, 2009)


JACQUELINE CUNA
Notary Public of New Jersey
No. 2098348 - Hudson County
My Commission Expires May 19, 2012

**PSE&G SOLAR LOAN I
(Service List)**

BPU Docket No: EO07040278

BPU

Alice Bator, Bureau Chief
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-2448
FAX: (973) 648-7420
alice.bator@bpu.state.nj.us

BPU

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3426
FAX: (973) 638-2409
kristi.izzo@bpu.state.nj.us

BPU

Jacqueline O'Grady
New Jersey Board of Public Utilities
Office of The Economist
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3451
FAX: (973) 648-4410
jackie.ogradv@bpu.state.nj.us

BPU

Benjamin Hunter
Renewable Energy Program
Administrator
New Jersey Board of Public Utilities
Office of Clean Energy
44 South Clinton Avenue
PO Box 350
Trenton, NJ 08625-0350
PHONE: (609) 777-3300
FAX: (609) 777-3330
Benjamin.Hunter@bpu.state.nj.us

BPU

Victor Fortkiewicz, Executive Director
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-4852
FAX: (973) 648-2409
victor.fortkiewicz@bpu.state.nj.us

BPU

Nnajindu Ugoji
New Jersey Board of Public Utilities
Division of Energy
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-2219
FAX: (973) 648-7420
nnajindu.ugoji@bpu.state.nj.us

BPU

Jerome May
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-4950
FAX: (973) 648-2467
Jerome.may@bpu.state.nj.us

BPU

Lance Miller, Chief of Policy
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3175
FAX: (973) 648-4195
lance.miller@bpu.state.nj.us

BPU

Suzanne Patnaude
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3858
FAX: (973) 648-2467
suzanne.patnaude@bpu.state.nj.us

BPU

Michael Winka, Director
New Jersey Board of Public Utilities
Office of Clean Energy
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-7270
FAX: (609) 777-3330
michael.winka@bpu.state.nj.us

BPU

Stacy Peterson
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-2143
FAX: (973) 648-2467
stacy.peterson@bpu.state.nj.us

BPU

Samuel Wolfe, Chief Counsel
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-2016
FAX: 973) 648-2209
samuel.wolfe@bpu.state.nj.us

BPU

Andrea Sarmentero-Garzon
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-2587
FAX: (973) 648-2209
andrea.sarmentero-garzon@bpu.state.nj.us

BPU

Mark Beyer, Chief Economist
New Jersey Board of Public Utilities
Office of the Economist
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3414
FAX: (973) 648-4410
mark.beyer@bpu.state.nj.us

BPU

Christine Lin
New Jersey Board of Public Utilities
Office of the Economist
Two Gateway Center
Newark, NJ 07102
PHONE: (973) 648-3407
FAX: (973) 648-4410
christine.lin@bpu.state.nj.us

PSE&G

Frances Sundheim
PSEG Services Corporation
80 Park Plaza - T5G
Newark, NJ 07102
PHONE: (973) 430-8058
FAX: (973) 430-5983
Tamara.linde@pseg.com

ADVOCATE

Ami Morita, Esq.
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 624-1047
amorita@rpa.state.nj.us

ADVOCATE

Lisa Gurkas
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 642-1047
lgurkas@rpa.state.nj.us

ADVOCATE

Judith Appel, Esq.
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 642-1047
jappel@rpa.state.nj.us

DAG

Jenique Jones, DAG
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Fl.
P. O. Box 45029
Newark, NJ 07102
PHONE: (973) 648-3762
FAX: (973) 648-3555/3879
jenique.jones@dol.lps.state.nj.us

CONSULTANT

Andrea Crane
The Columbia Group
PO Box 810
Georgetown, CT 06829
PHONE: (203) 438-2999
FAX: (203) 894-3274
ctcolumbia@aol.com

PSE&G

Gregory Eisenstark, Esq.
Assistant Corporate Rate Counsel
PSEG Services Corporation
80 Park Plaza - T5G
Newark, NJ 07102
PHONE: (973) 430-6281
FAX: (973) 430-5983
gregory.eisenstark@pseg.com

ADVOCATE

Felicia Thomas-Friel, Esq.
Managing Attorney - Gas
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 624-1047
ftthomas@rpa.state.nj.us

ADVOCATE

Susan McClure, Esq.
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 642-1047
smcclure@rpa.state.nj.us

DAG

Kenneth Sheehan, DAG
Assistant Section Chief
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Fl.
P. O. Box 45029
Newark, NJ 07102
PHONE: (973) 648-3709
FAX: (973) 648-3555/3879
Kenneth.Sheehan@dol.lps.state.nj.us

NJ NATURAL GAS CO.

Tracey Thayer, Esq.
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719
PHONE: (732) 919-8025
FAX: (732) 938-2620
tthayer@njng.com

CONSULTANT

David Dismukes
Acadian Consulting Group
6455 Overton Street
Baton Rouge, LA 70808
dismukes@lsu.edu

ADVOCATE

Stefanie Brand, Esq.
Director
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 624-1047
sbrand@rpa.state.nj.us

ADVOCATE

Paul Flanagan, Litigation Manager
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 642-1047
pflanagan@rpa.state.nj.us

ADVOCATE

Diane Schulze, Esq.
Department of the Public Advocate
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07102
PHONE: (973) 648-2690
FAX: (973) 642-1047
dschulze@rpa.state.nj.us

DAG

Alex Moreau, DAG
Dept. of Law & Public Safety
Division of Law
124 Halsey Street, 5th Fl.
P. O. Box 45029
Newark, NJ 07102
PHONE: (973) 648-3762
FAX: (973) 648-3555/3879
Alex.Moreau@dol.lps.state.nj.us

NJ NATURAL GAS CO.

Anne-Marie Peracchio
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719
PHONE: (732) 919-8025
FAX: (732) 938-2620
tthayer@njng.com

CONSULTANT

Matthew I. Kahal, Economic Consultant
c/o Exeter Associates, Inc.
5565 Sterret Place, Suite 310
Columbia, MD 21044
PHONE: (410)992-7500
FAX: (410)992-3445
Mkahal@exeterassociates.com

CONSULTANT

Brian Kalcic
Excel Consulting
225 S. Mcramee Avenue
Suite 720T
St. Louis, MO 63105
bkalcic@mindspring.com

JCP&L

Marc B. Lasky, Esq.
Morgan, Lewis & Bockius LLP
89 Headquarters Plaza North
Suite 1435
Morristown, NJ 07960
PHONE: (973)993-3133
FAX: (877)432-9652
mlasky@morganlewis.com

NJLEUC

Steven S. Goldenberg, Esq.
Fox Rothschild LLP
997 Lenox Drive, Bldg. 3
Lawrenceville, NJ 08648-2311
PHONE: (609)896-4586
FAX: (609)896-1469
sgoldenberg@foxrothschild.com

SOUTH JERSEY GAS

Ira Megdal, Esq.
Cozen O'Connor
457 Haddonfield Road
Suite 300
Libertyview
Cherry Hill, NJ 08002
PHONE: (856)910-50198
FAX: (877)259-7984
imegdal@cozen.com

SUNEDISON

Claire Broido
SunEdison
12500 Baltimore Avenue
Beltsville, MD 20705
PHONE: (443)909-7240
FAX: (443)909-7140
cbroido@sunedison.com

CONSULTANT

Michael J. McFadden, President
McFadden Consulting Group, Inc.
625 S. York Street, Suite 107
Denver, CO 80209-4164
mmcfadden@mcfaddenconsulting.com

JCP&L

Larry Sweeney
Jersey Central Power & Light Company
300 Madison Avenue
P.O. Box 1911
Morristown, NJ 07962-1911
PHONE: (973)401-8697
FAX: (973)644-4157
lsweeney@jcpu.com

ROCKLAND

James C. Meyer, Esq.
Riker, Danzig, Scherer, Hyland & Perretti
Headquarters Plaza
One Speedwell Avenue
Morristown, NJ 07962
PHONE: (973)451-8464
FAX: (973)538-0800
jmeyer@riker.com

SOUTH JERSEY GAS

John Stanziola, Director
Regulatory Affairs
South Jersey Gas Company
1 South Jersey Plaza
P.O. Box 6000
Folsom, NJ 08037
PHONE: (609)561-9000 Ext. 416
FAX: (609)561-6955
istanziola@sjindustries.com

MSEIA

Lyle Rawlings
Advanced Solar Products
66 Snyderstown Road
Hopewell, NJ 08525

CONSULTANT

David Nicholas, PhD.
787 Willett Avenue
Riverside, RI 02915-2660
PHONE: (401)433-1230
FAX: (401)433-2229
Davidnichols@verizon.net

NJLEUC

Paul F. Forshay, Esq.
Sutherland, Asbill & Brennan, LLP
1275 Pennsylvania Avenue, NW
Washington, D.C. 20004
PHONE: (202)383-0100
FAX: (202)637-3593
pforshay@sablaw.com

SOUTH JERSEY GAS

Douglas Frankenthaler
Cozen O'Connor
457 Haddonfield Road
Suite 300
Libertyview
Cherry Hill, NJ 08002
dfrankenthaler@cozen.com

OTHER PARTIES

Roger M. Schwarz, c/o RESA
Issues Management, LLC
100 Overlook Center - 2nd Floor
Princeton, NJ 08540
PHONE: (609)252-1300
rschwarz@issuesllc.com